



**SERVICES COMMITTEE
of the
TECHNOLOGY SERVICES BOARD
DEPARTMENT OF TECHNOLOGY SERVICES**

**PUBLIC MEETING MINUTES
December 20, 2006**

The Services Committee of the Technology Services Board (TSB) met in open session, pursuant to the provisions of the Bagley-Keene Open Meeting Act, at approximately 2:00 p.m., in Conference Room 113 at the State Capitol, Sacramento, California 95814.

1. Chairwoman Ann Boynton Called the Meeting to Order

Present:

Health and Human Services Agency Designee, Ann Boynton

Department of Finance Designee, Fred Klass

State & Consumer Services Agency Designee, Will Bush

Department of Food and Agriculture Designee, Kim Myrman

Department of Corrections and Rehabilitation Designee, Kingston "Bud"

Prunty

Governor's Designee, J. Clark Kelso, ex officio member

2. Review and Approval of the Services Committee Charter

There was discussion of the need to clarify that the Committee's purpose is not limited to *new* services and that the Chairperson of the TSB is the appointing authority for members of the Committee. A motion to approve the charter with these amendments was made, seconded, and unanimously approved.

3. Review and Development of Recommendations Related to Proposed Rate and Service Methodologies

PK Agarwal, Director of the Department of Technology Services (DTS), presented draft Rate Development and Service Development Methodologies with assistance from Randy Deems of the Administration Division of DTS. With regard to both the draft Rate Development Methodology and the draft Service Development Methodology, there was discussion of the need for DTS to continue to work to address questions and issues raised by the Department of Finance (DOF) before the documents are brought to the TSB. With regard to the Service Development Methodology, there was discussion of the need to include strategic planning for services as a driver of new service evaluation



and development. A motion was made to recommend approval of the Rate Development Methodology to the TSB with tracking of additional changes to address DOF questions and issues. The motion was seconded and unanimously approved. A motion was made to recommend approval of the Service Development Methodology to the TSB with a change to include strategic planning for services as a driver of new service development and with tracking of additional changes to address DOF questions and issues. The motion was seconded and unanimously approved.

4. Review and Development of Recommendations Related to Proposed Mid-year Rate Package

PK Agarwal presented the proposed mid-year rate package, which will reduce DTS revenues by a net of approximately \$26.7 million annually. Because network rates would increase under the proposal, there was discussion of the need for the TSB and DTS customers to have additional information regarding network costs and how DTS rates compare with other providers of network services. The Committee suggested that DOF try to find a way to hold harmless the severely impacted departments and there was some discussion of the possibility of “sharing” the savings, where feasible, across departments as a cost-off-set. Public comments were heard from Alan Friedman, the Chief Information Officer for the Department of Parks and Recreation and Ron Nabity, Chief Information Officer for the Department of Fish and Game. These are two of the departments most impacted by the increase in network rates. PK Agarwal stated that DTS would provide additional granularity with regard to network costs at the TSB meeting. A motion was made to recommend approval of the mid-year rate package to the TSB with DTS bringing a proposed scope of work to the TSB for a consultant to benchmark DTS rates against other providers of similar services beginning with network rates. The motion was seconded and approved with an abstention from the DOF Designee, Fred Klass, whose staff is involved in the drafting of the report.

5. Next Steps

Members of the Committee asked DTS to provide the Committee with a proposed scope of work for a consultant to develop a state strategic plan for shared services. PK Agarwal stated that DTS would provide this to the Committee for consideration at its next meeting.

6. Meeting Adjournment – 3:45 p.m.